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# Reshaping Canadian Politics: The Government of Jean Chrétien

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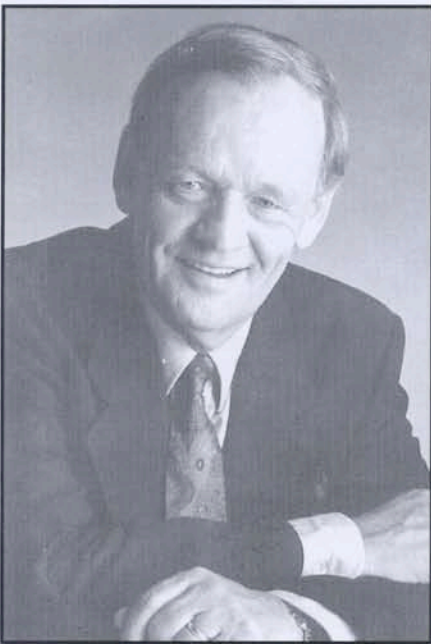
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# RESHAPING CANADIAN POLITICS: The Government of Jean Chrétien

Christopher Kirkey



Jean Chrétien

PHOTO: GOVERNMENT OF CANADA

On 26 October 1993 the Liberal Party of Canada, under the leadership of Jean Chrétien, won a decisive victory in Canadian national elections. The Liberals, in what many observers regard as the most important federal electoral results since the founding of Canada in 1867, captured a majority (177 of 295) of the seats in the House of Commons. The election also marked the rise of two recent, albeit former marginal parties to prominence: the pro-Quebec independence party, the Bloc Québécois (now the official opposition with 54 seats), and the Reform Party (52 seats). The Progressive Conservative Party, having ruled Canada since 1984 under the tutelage of Brian Mulroney and then Kim Campbell, were able to capture but 2 seats in the House (from a pre-election total of 153 seats). It was, in the words of *The New York Times*, "the most punishing blow to any governing party in Canadian political history." The average Canadian had finally soured on the nine year performance put forth by the Progressive Conservative party.

The mandate given by Canadian voters to Prime Minister Jean Chrétien and his fellow Liberal Party members was clear: change was demanded. The Liberals were expected, in short, to be the necessary political instrument to implement a broad range of reforms. In the course of the election campaign, candidate Chrétien proposed new initiatives, targeted both at the domestic and international arenas, that a Liberal government would introduce as legislation.

The purpose of this article is twofold: to examine some of the most pressing issues that have, over the past several months, confronted the Chrétien government; and, to specifically review the corresponding policy measures taken by the Liberals in order to address these national concerns.

## THE DOMESTIC ARENA

Since reconvening Parliament on 17 January 1994, three distinct areas have demanded the bulk of the Liberal government's attention: the health of the Canadian economy; charting a new course in federal-provincial relations; and the unresolved status of Canadian federalism — i.e., "the Quebec question."

Ottawa's plan for addressing the interrelated economic issues of growth, the national deficit (projected to be \$41.2 billion for 1994-1995), the national debt (projected to reach \$550 billion by the close of 1994), and national unemployment (11.2% on average in 1993), was most fully revealed on 22 February 1994 when Paul Martin, Minister of Finance, presented the federal budget before the House of Commons. The eagerly awaited announcement included a commitment to job creation (principally through a series of capital funding proposals), a plan to gradually reduce Canada's burgeoning national deficit (by amounts of \$1.5 billion for 1994-1995, and by \$5.1 billion for 1995-1996), and a limit to government expenditures (by freezing spending for 1994-1995 and 1995-1996, at the 1992-1993 level of \$122.5 billion). Ottawa is also preparing to soon introduce legislation before Parliament to substantially revise Canada's \$40 billion social assistance network, as well as longstanding agricultural support programs (the cornerstone of which is the \$560 million federal grain transportation subsidy).

On the subject of federal-provincial relations — an area that had largely come to be dominated by attempts to broker deals between competing provincial interests during the Mulroney/Campbell years — the Chrétien government swiftly moved to interject a pragmatic, business-like approach defined in terms of the *national* interest. Convening a meeting of federal and provincial leaders on 21 December



1993, Prime Minister Chrétien and the premiers agreed to a number of items. The list includes a cost sharing formula for financing a \$6 billion national infrastructure program (the focus of which is to repair and/or replace roads, sewer systems, etc...); a new five year package for financial transfer payments from Ottawa to the provincial capitals; joint examination of how to revise and, if necessary, replace social assistance programs; an attempt to eliminate the cumbersome interprovincial trade barrier network (an agreement was reached in July 1994); a move to replace the federally imposed goods and services tax (i.e., the GST); and, a commitment to harmonize federal and provincial consumption tax levels as quickly as possible. In commenting on Ottawa's attempt to reshape the federal-provincial relationship, Marcel Masse, Minister of Intergovernmental Affairs and Public Service Renewal, noted: "Mr. Chrétien clearly wants first ministers conferences to be used as instruments where the first ministers are not looking at their own specific interests, but rather at a national interest." This perspective has to date been welcomed by the majority of premiers, if only because it represents a clear departure from the tone of federal-provincial relations since 1984. As Bob Rae, Premier of Ontario stated at the conclusion of the initial federal-provincial summit: "there was hardly any bullshit."

Quebec's status — *as a continuing member in, or potentially independent of, the Canadian federation* — may well prove to be Ottawa's most severe political test in the immediate future. The governing Liberal Party in Quebec City, led by pro-federalist Premier Daniel Johnson (Johnson ran uncontested at the 14 December 1993 provincial leadership convention, thereby filling the vacancy created by the resignation of ailing Premier Robert Bourassa), was recently defeated in the

12 September 1994 provincial election by the pro-independence Parti Québécois. The Parti Québécois, who managed to win 77 of 125 seats in the Quebec National Assembly, have repeatedly pledged — under the leadership of Jacques Parizeau — to hold, within a period of 8 to 10 months, a provincial referendum on the issue of whether Quebec should separate from Canada.

Clearly Prime Minister Chrétien would unreservedly preferred to have seen Daniel Johnson triumph. This would have squashed, at least temporarily, any attempt on the part of Quebec to formally secede from the Canadian union. More importantly, it would have provided Ottawa with an oppor-

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tunity — i.e., a four year period — to fashion a successful political arrangement (unlike the Meech Lake and Charlottetown accords) or series of administrative agreements (an approach favored by Marcel Masse) that would have simultaneously addressed Quebec's longstanding assorted grievances (e.g., language, culture, immigration, and representation), and served as a vehicle for fully incorporating Quebec into the Canadian-federation (Quebec was the lone provincial dissenter to the Constitution Act of 1982).

To date, Mr. Chrétien and his colleagues have yet to assume an activist role in Quebec provincial affairs. Legions of federal Liberal MPs have not, for instance, canvassed Quebec in an attempt to sell the virtues of the province's continued role in the Cana-

dian federation. This will, in all likelihood, decidedly change as a referendum on the future of Quebec and Canada draws near. Prime Minister Chrétien will, given his staunch federalist beliefs, be undoubtedly faced with the necessity of having to fervently campaign on a pro-Quebec-Canada/anti-independent-Quebec platform, as did the Liberal government of Pierre Trudeau in 1980 (in the face of then Parti Québécois Premier René Levesque's sovereignist challenge). In the course of such a campaign, the Chrétien led team — and other pro-federalists across Canada — have two valuable points presently working in their favor. First, the Quebec provincial election was, according to the majority of public opinion polls, overwhelmingly viewed by Quebecers as a referendum on the state of the province's economic performance, and future health — *not on whether Quebecers preferred Confederation or independence*. As *The Globe and Mail* put it, the Parti Québécois was given "a mandate to govern, not a mandate to separate." Second, pollsters continue to solidly demonstrate that approximately 60% of Quebecers would vote to stay in Canada — provided the aforementioned grievances were sufficiently addressed by Ottawa.

#### THE INTERNATIONAL ARENA

In the area of Canadian security interests and related military commitments, the Chrétien government has moved to address a number of concerns. Immediately following the election, the Prime Minister cancelled the highly politically charged program (initiated by the former Conservative regime) to purchase 43 EH-101 helicopters. The Department of National Defense (in cooperation with the Min-



istry of Fisheries, the Ministry of Transportation, and the Royal Canadian Mounted Police) has, at the request of Brian Tobin, Minister of Fisheries, developed plans for intercepting and boarding foreign trawlers that harvest fish on the fringes of Canada's 200-mile fishing limit. These vessels are repeatedly cited by Ottawa as the principal source of overfishing and hence responsible for a corresponding precipitous decline in available fish stocks. The net results of this planning were evidenced this past July when fishermen aboard the Massachusetts based scallop draggers, the Warrior and Alpha Omega II, were arrested and charged with violating Canadian fishing regulations. The Liberals have also

supported Canadian participation in United Nations' led peacekeeping efforts in the former Yugoslavia, Rwanda, and Haiti (forthcoming). In total, some 2,000 Canadian soldiers are stationed in Bosnia and Croatia, while some 685 armed services personnel are in Rwanda. Finally, in an effort to unambiguously identify the various roles and requirements for the Canadian Armed Forces in the rapidly changing international political system, Ottawa (in April 1994) initiated a defense and foreign policy parliamentary committee review.

On the diplomatic front, the Chrétien led team has supported the American sponsored Partnership for Peace proposal (i.e., "go slow ap-

proach") for extending membership in the North Atlantic Treaty Organization to states in Eastern Europe. It has also vigorously championed the case of exiled Haitian president Jean Bertrand Aristide. To this end, Canada has committed members of the Royal Canadian Mounted Police to aid in maintaining order on the violence-prone island. The Chrétien government has also played host to Arab and Israeli diplomatic negotiations (February 1994), provided a \$2.5 million technical aid package to assist Ukrainian authorities in conducting that country's first democratic party elections (March 1994), and allocated \$10 million in technical assistance to design and implement a modern safety regime for





Russia's rapidly aging nuclear power facilities. Other issues on the international scene that Canada has addressed in 1994 include: repeated attempts to persuade Western Hemispheric political leaders, particularly U.S. President Bill Clinton, to end more than three decades of Cuban isolationism (Canada recently resumed foreign aid to Cuba); a commitment of relief assistance in the sum of \$11 million (targeted for humanitarian purposes such as drinking water, sanitation, shelter, and health care) for war-ravaged Rwanda; participation, as observers, in the recent Mexican elections; and, initiatives intended to broaden and deepen the scope of Canadian-Chinese/Southeast Asian trade relations.

The principal international focus for the Chrétien government has, however, been closer to home: namely, the United States. Ottawa has been required, since October 1993, to address a constant stream of bilateral issues. The Prime Minister indicated, for example, that Canada would not be prepared to officially proclaim the North American Free Trade Agreement unless U.S. authorities were able to meet outstanding Canadian objectives on a subsidies code, the process of dispute settlement, and protective energy and water measures. These concerns were ultimately settled to the satisfaction of Ottawa in late November/early December 1993. "The deal is not perfect," Mr. Chrétien informed an Ottawa news conference on 2 December, "but I am very satisfied with the progress we made." The Prime Minister proceeded to implement the sectoral free trade legislation on 30 December. Other matters have also competed for prominence on the Canadian-American agenda. According to leading U.S. brewers and winemakers, American beer and wine exports to Canada are subject to unfair, restrictive Canadian

practices such as floor/minimum prices, inflated distribution costs, and service fees. In the view of the U.S. agricultural community, Canadian peanut and sugar product exports to the U.S. are unfairly subsidized by Ottawa. Moreover, there are bilateral differences on such products as U.S. poultry and dairy exports (the latter of which Canada seeks to impose duties on, anywhere in the neighborhood of 100-326%), and East Coast fishing/West Coast salmon harvesting. All five of these issue-areas have throughout 1994 been the subject of periodic negotiations between Ottawa and Washington.

On a positive note for the Chrétien government, a binational dispute panel (established under the terms of the 1989 Canada-U.S. Free Trade Agreement) ruled in December 1993 that exports of Canadian softwood to the United States were not subsidized — in this case by the province of British Columbia. In view of the decision, the U.S. Commerce Department agreed to eliminate duties of 6.51% on Canadian softwood lumber imports. Furthermore, Canadian officials were able to reach agreement with American authorities on an interim plan to shut-down the Georges Bank fishery (in light of pervasive overfishing and a concomitant decline in fish stocks) for a period of five months (the pact expired 1 June 1994). More recently, an arrangement to govern export levels of Canadian wheat to the United States was worked out. The August 1994 pact permits Canada to ship 1.5 million tonnes of wheat duty free, or at relatively low tariff rates. Exports exceeding this limit will, with few exceptions, be subject to prohibitively high tariff charges.

This survey of issues that have and will continue to confront the government of Prime Minister Jean Chrétien, suggests that the agenda of the Liberal Party will continue to be challenging in the months ahead. If the October 1993 electoral mandate is any indication, the political success or failure of the Chrétien government will ultimately hinge on the astuteness and effectiveness of its policies in *both* the domestic and international arenas.



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PHOTO: GALAXY STUDIOS